

**MINUTES OF
MISSISSIPPI TORT CLAIMS BOARD
THURSDAY, JANUARY 11, 2018**

The Mississippi Tort Claims Board (Board) meeting was held at 1:30 p.m. in Room 138, Woolfolk State Office Building; 501 North West Street; Jackson, Mississippi.

The following members were present, constituting a quorum:

Edds, Steve; Chairman
Kelsey, Christina; Representing Insurance Commissioner Mike Chaney
Lanford, Mike; Deputy Attorney General, Representing Attorney General Jim Hood
Williams, Michelle; Representing State Treasurer Lynn Fitch
Younger, Jim; Representing Public Safety Commissioner Marshall Fisher

Also present were:

Burkhalter, Chris; Bickerstaff, Whatley, Ryan & Burkhalter
Donaldson, Bruce; Tort Claims Board
Kelly, Trina; Tort Claims Board
Logan, Jim; Tort Claims Board
McElroy, Lea Ann; Tort Claims Board
Milner, Steve; Tort Claims Board
Smith, Dan; Attorney General's Office
Stephenson, Matt; Bickerstaff, Whatley, Ryan & Burkhalter
Wells, Lisa; Cannon Cochran Management Services, Inc.
Wells, Teresa; Tort Claims Board
Wilson, Jeff; Trinity Capital

The Chairman called the meeting to order.

Motion was made by Mrs. Williams to approve the minutes of the November 9, 2017, meeting. Mr. Lanford seconded the motion, which passed unanimously.

There was no Old Business.

In New Business, Mrs. McElroy reviewed a summary of legislation introduced to-date that seeks to amend the Tort Claims Act.

Mr. Logan presented the financial report for fiscal year 2018 through December 31, 2017. The Cash Flow Analysis details assessment revenue of \$3.8 million (of the total assessment of \$4.6 million). Expenditures include \$1.5 million in claims, \$344,374 in legal expenses, and total expenditures of \$3.9 million. Totals funds - including cash in the Treasury, investments, and the TPA account – are \$15.7 million. Mr. Logan advised that we have \$7.3 million in reserves and \$8.5 million in unencumbered funds. The average reserve for open claims is just under \$15,000.

The Budget Comparison Report details expenditures through the half of the fiscal year by budget category, showing we have expended 37% of our total budget.

Mr. Wilson presented the investment report through December 2017. Looking at earnings for the 2017 calendar year, the plan earned just over \$220,000 – a level we haven't seen in three to four years - and Mr. Wilson anticipates between \$220,000-\$250,000 for 2018 as well. The 2017 internal rate of return is at 1.75% for the calendar year. The market yield is just under 2.5% because the value of our portfolio has gone down as interest rates have gone up. Looking at Investment Performance Comparison, we are matching the Index in Total Return. As interest rates go up, and because we are so much shorter than the Index, we should begin to outperform the Index. Mr. Wilson shared a snapshot of the composition of the portfolio and maturity distribution.

Mr. Milner reported on his Loss Control activities since the last Board meeting, noting his work at the grand opening of the Two Museums and our presentation to the Highway Patrol Cadet Class.

There was no Attorney General's Report.

Mrs. McElroy presented a list of 22 political subdivisions with the recommendation that all be approved for renewal of Certificates of Coverage. Mrs. Williams made a motion to approve the list and Mrs. Kelsey seconded the motion, which passed by unanimous vote.


Under Claims Report Mr. Donaldson reviewed the case of the Estate of Marvin Hughes vs. Mississippi Veterans Affairs Board, including a letter from our defense attorney recommending approval of a \$150,000 mediation settlement. Following discussion, Mr. Lanford made a motion to approve the settlement, seconded by Mrs. Williams, and passed unanimously. Mr. Donaldson also shared the claim of Joseph Gill vs. Mississippi Department of Finance & Administration. Given that Mr. Gill is a former State agency Executive Director, is currently a lobbyist, and is represented by Representative Hank Zuber, Mr. Donaldson sought direction from the Board for handling the matter. Board members unanimously instructed Mr. Donaldson to treat it as he would any other case.

There being no further business to come before the Board, the meeting was adjourned.

STEVE EDDS, CHAIRMAN


MIKE CHANEY, BOARD MEMBER


LYNN FITCH, BOARD MEMBER


JIM HOOD, BOARD MEMBER


LAURA D. JACKSON, BOARD MEMBER

GARY RIKARD, BOARD MEMBER


MARSHALL FISHER, BOARD MEMBER

Mississippi Tort Claims Board
January 11, 2018 - 1:30pm
Conference Center North, Room 138
First Floor, Woolfolk Building
Jackson, Mississippi

ATTENDANCE LIST

<u>NAME</u>	<u>DEPARTMENT/COMPANY</u>
Don Wells	CCMSI
Steven Milner	TCB
Teresa Wells	TCB
Daniel B Smith	AG
Jim Kelly	Tort
Jeff Wilson	Trinity Capital
Jeff	Tort
Matt Stephenson	BWRB
CHRIS BURKHALTER	BWR+B
James W. Hooch	MDPS
Quita Thely	MTD
Michelle	AG
Michelle Williams	OST
Steve Edler	Butler Snow

Mississippi Tort Claims Board
Thursday, January 11, 2018 – 1:30 P.M.

AGENDA

- I.** Approval of Minutes
 - A. November 9, 2017
- II.** Old Business
- III.** New Business
 - A. Legislative Update
- IV.** Financial Reports
 - A. Financial Report – Jim Logan
 - B. Investment Report – Jeff Wilson
- V.** Loss Control – Steve Milner
- VI.** Attorney General’s Report – Lea Ann McElroy
- VII.** Certificates of Coverage – Lea Ann McElroy
- VIII.** Claims Report – Bruce Donaldson
 - A. Estate of Marvin Hughes vs. Mississippi Veterans Affairs Board
 - B. Joseph Gill vs. Mississippi Department of Finance & Administration
- IX.** Adjournment

Next meeting date and time: March 8, 2018 – 1:30 P.M.
Meeting location: Suite 138, Conference Center North, Woolfolk Building, Jackson, MS

**MINUTES OF
MISSISSIPPI TORT CLAIMS BOARD
THURSDAY, NOVEMBER 9, 2017**

The Mississippi Tort Claims Board (Board) meeting was held at 1:30 p.m. in Room 138, Woolfolk State Office Building; 501 North West Street; Jackson, Mississippi.

The following members were present, constituting a quorum:

Edds, Steve; Chairman
Kelsey, Christina; Representing Insurance Commissioner Mike Chaney
Lanford, Mike; Deputy Attorney General, Representing Attorney General Jim Hood
Wells, Chris; Representing MS Department of Environmental Quality Executive Director
Gary Rikard
Williams, Michelle; Representing State Treasurer Lynn Fitch
Younger, Jim; Representing Public Safety Commissioner Marshall Fisher

Also present were:

Donaldson, Bruce; Tort Claims Board
Kelly, Trina; Tort Claims Board
Logan, Jim; Tort Claims Board
McElroy, Lea Ann; Tort Claims Board
Milner, Steve; Tort Claims Board
Smith, Dan; Attorney General's Office
Sweat, Wade; Department of Transportation
Wells, Lisa; Cannon Cochran Management Services, Inc.
Wilson, Jeff; Trinity Capital

The Chairman called the meeting to order.

Motion was made by Mrs. Williams to approve the minutes of the September 14, 2017, meeting. Mr. Lanford seconded the motion, which passed unanimously.

There was no Old Business.

In New Business, Mrs. McElroy presented the 2018 schedule of Board meeting dates.

Mr. Logan presented the financial report for fiscal year 2018 through October 31, 2017. The Cash Flow Analysis details assessment revenue of \$3.7 million (85% of the total assessment of \$4.4 million) and expenditures of \$2.6 million. Totals funds - including cash in the Treasury, investments, and the TPA account – total \$16.4 million. Mr. Logan advised that we have \$7.35 million in reserves and just over \$9 million in unencumbered funds. We have paid claim losses totaling just over \$1 million to-date, comparing to \$1.7 million this time last year. The average

reserve for open claims is just under \$15,000. The Budget Comparison Report details expenditures through the first four months of the fiscal year by budget category.

Mr. Wilson presented the investment report through October 2017. The portfolio has a book value of \$12.1 million with a market value of just under \$12 million. This gap has widened some since our last meeting. The 2017 internal rate of return is at 1.55% for the calendar year, and Mr. Wilson anticipates that nearing 1.75-1.90% by calendar year-end. The book yield is just under 2% at 1.9% and the market yield is just over 2%. The weighted average life of the portfolio is just under 2 years, and we continue to stay short because of the way the market is reacting. We have earned just under \$200,000 for the calendar year, and that number should end up around \$230,000-\$240,000 by calendar year-end.

Mr. Milner reported on his Loss Control activities since the last Board meeting, noting the 12 days of the Mississippi State Fair with zero known claims and our upcoming presentation to the Highway Patrol Cadet Class.

There was no Attorney General's Report.

Mrs. McElroy presented a list of 38 political subdivisions with the recommendation that all be approved for renewal of Certificates of Coverage. Mrs. Kelsey made a motion to approve the list and Mrs. Williams seconded the motion, which passed by unanimous vote.

Under Claims Report Mr. Donaldson suggested the Board consider going into Executive Session for the discussion of two claims. Mr. Younger made a motion to close the meeting to determine whether or not the Board should declare an executive session. The motion passed. Mr. Lanford made a motion to enter executive session for the purpose of discussing litigation. Mrs. Kelsey seconded the motion, which passed unanimously. *Mr. Donaldson reviewed the case of Estate of Christopher Adams vs. Mississippi Department of Transportation. Following discussion, Mr. Lanford made a motion to approve the mediation settlement of \$325,000 contingent on the deletion of item 5 from the Memorandum of Settlement Agreement. Mrs. Kelsey seconded the motion, which passed unanimously.* Board members also discussed litigation involving the Mississippi Department of Public Safety. Mr. Lanford made a motion to return to open session, which was seconded and passed unanimously.

There being no further business to come before the Board, the meeting was adjourned.



STEVE EDDS, CHAIRMAN

Mike Chaney (Chief of Staff)
MIKE CHANEY, BOARD MEMBER

Michelle Williams (Chief of Staff)
LYNN FITCH, BOARD MEMBER

Altha (Jim) Hood
JIM HOOD, BOARD MEMBER

LAURA D. JACKSON, BOARD MEMBER

GARY RIKARD, BOARD MEMBER

Marshall Fisher
MARSHALL FISHER, BOARD MEMBER
by James W. Gagnier

Tort Claims Act Legislation Summary 2018 Legislative Session

Bill No.	Introduced By	Last Action	MTCA Reference	Description	Notes
HB573	Wooten	Referred to Jud A (1/8)	11-46-9	Amends exemption (c) – activities relating to police and fire protection – “unless the duties or activities relating to the police action resulted in serious injury or death of another person due to simple negligence of the officer”	Similar legislation died last year
HB706	Baker	Referred to Jud A (1/9)	11-46-11	Revise notice of claim requirements	
HB729	Smith	Referred to Jud A (1/11)	11-46-15	Increases the statutory cap to \$1,000,000 increasing \$100,000 over each of next five fiscal years: FY2019 - \$600,000 FY2020 - \$700,000 FY2021 - \$800,000 FY2022 - \$900,000 FY2023 - \$1,000,000	

SB2010	Kirby	Referred to Insurance (1/3)	11-46-20	Adds 11-46-20(6)(7) & (8) which authorizes the Commissioner of Insurance to conduct an examination of certain self-insurance programs providing coverage to governmental entities	
SB2075	Fillingane	Referred to Public Health & Welfare (1/4)	11-46-1 11-46-8	Revise statutory references to the MS Dept. of Human Services to the MS Dept. of Child Protection Services	

as of 01/11/2018 10:00am

MISSISSIPPI TORT CLAIMS BOARD
Combined Financial Report - Fiscal Year 2018
Fund 3080

-----CASH FLOW ANALYSIS-----

	November	December	Year-To-Date
REVENUE:			
Assessments Received	96,985.60	314.98	3,855,510.28
Interest	4,045.47	4,814.69	12,888.63
Investment Interest	20,510.40	3,376.96	95,642.89
Transfer In Funds	500,000.00	0.00	1,500,000.00
Total Revenue	\$ 621,541.47	\$ 8,506.63	\$ 5,464,041.80
EXPENSES:			
Claim Losses - TCB and TPA	468,028.75	43,819.52	1,539,478.98
Legal Expenses - TCB and TPA	68,896.01	35,199.61	344,374.10
Other Expenses - TCB and TPA	1,534.75	795.00	13,068.92
Administrative Expenses Paid	71,619.10	110,387.81	527,214.48
Transfer of Funds - Out	500,000.00	0.00	1,500,000.00
Total Expenses	\$ 1,110,078.61	\$ 190,201.94	\$ 3,924,136.48
FUNDS ON HAND:			
Beginning Balance	\$ 16,411,970.26	\$ 15,923,433.12	
Revenue	621,541.47	8,506.63	
Expenses	(1,110,078.61)	(190,201.94)	
Adjustments	0.00	0.00	
Total Funds	\$ 15,923,433.12	\$ 15,741,737.81	
Cash in Treasury	\$ 3,500,772.59	\$ 3,389,013.47	
Investment in Treasury	\$ 12,135,529.91	\$ 12,107,821.71	
TPA Trustmark Bank Balance	287,130.62	244,902.63	
Total Funds By Account	\$ 15,923,433.12	\$ 15,741,737.81	
Less Reserves	\$ 7,239,078.44	\$ 7,287,454.71	
Unencumbered Funds Available	\$ 8,684,354.68	\$ 8,454,283.10	

-----CLAIMS/RESERVES DETAIL (Year-To-Date)-----

	Tort Board	Mgt. Services	TOTAL
Claims - Payments	\$ 68,525.60	\$ 1,470,953.38	\$ 1,539,478.98
Claims - Legal Expenses	337,168.69	7,205.41	344,374.10
Claims - Other Expenses	-	13,068.92	13,068.92
Total Paid Out to Date	\$ 405,694.29	\$ 1,491,227.71	\$ 1,896,922.00
OUTSTANDING RESERVES	421,965.25	6,865,489.46	7,287,454.71
Total Claims & Reserves	\$ 827,659.54	\$ 8,356,717.17	9,184,376.71
Number of Claims Created	334	210	544
Number of Claims Paid	218	202	420
Total Open Claims	177	312	489
AVG. CLAIM \$ / # CLAIMS PAID	\$314.34	\$7,281.95	\$ 3,665.43
AVG. RESERVE / OPEN CLAIMS	\$2,383.98	\$22,004.77	\$ 14,902.77

NOTE: Information represents combined operations for Treasury Fund 3080 and the Trustmark account (utilized by CCMSI).

MISSISSIPPI TORT CLAIMS BOARD

Budget Comparison Report

Treasury Fund 3080

Fiscal Year 2018

Expenses:	Total Budget	November 2017	December 2017	Year To Date Expenditures	Ending Balance	Percent Expended
A1-Salaries	\$ 560,000.00	\$ 46,165.43	\$ 46,164.70	\$ 278,091.58	\$ 281,908.42	49.66%
A2-Travel	4,000.00	0.00	0.00	691.85	3,308.15	17.30%
B-Contractual	1,650,000.00	94,177.59	96,079.36	583,047.93	1,066,952.07	35.34%
C-Commodities	7,000.00	163.44	732.78	2,495.51	4,504.49	35.65%
D2-Capital Outlay	1,500.00	0.00	0.00	0.00	1,500.00	0.00%
E-Subsidies	4,300,000.00	511,205.78	4,980.98	1,568,525.60	2,731,474.40	36.48%
SUBTOTAL	<u>\$ 6,522,500.00</u>	<u>\$ 651,712.24</u>	<u>\$ 147,957.82</u>	<u>\$ 2,432,852.47</u>	<u>\$ 4,089,647.53</u>	<u>37.30%</u>
TPA Expended		<u>458,366.37</u>	<u>42,244.12</u>	<u>1,491,284.01</u>		
TOTAL Expended		<u>\$ 1,110,078.61</u>	<u>\$ 190,201.94</u>	<u>\$ 3,924,136.48</u>		

TRINITY

TRINITY CAPITAL INVESTORS

January 5, 2018

Ms. Lea Ann McElroy
Mississippi Tort Claims Board
P O Box 267
Jackson, MS 39205-0267

Re: December 2017 Portfolio Highlights

Total Portfolio	Book Value	\$12,138,907
	Market Value	\$11,984,100
2017 Internal Rate of Return		1.75%
Current Portfolio Book Yield		2.11%
Market Yield		2.48%
Weighted Average Life		Approximately 2.2 years
YTD 2017 Earnings		221,134
Accrued Interest		36,732

PERFORMANCE REPORT
State of Mississippi Tort Claims

YTD 2017
December 2017

Portfolio Market Value December 31, 2016	13,108,959
Contributions	
Withdrawals	1,300,000
Realized Gains	
Unrealized Gains	-154,807
Interest / Dividends	221,134
Portfolio Market Value December 31, 2017	11,984,100
accrued interest	36,732
Average Capital	12,680,160
Total Gain	221,134
FY 2017 IRR	1.75% *
FY 2017 Total Return	1.41%
Current Portfolio Yield	2.11%

Investment Performance Comparison

	IRR	TRA
Account	1.748%	1.43%
Custom Index	2.73%	1.49%

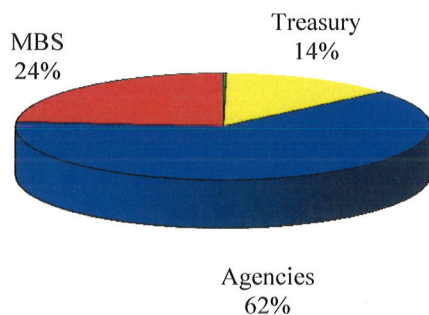
* weighted average life = 2.2 years

Trinity Capital Investors

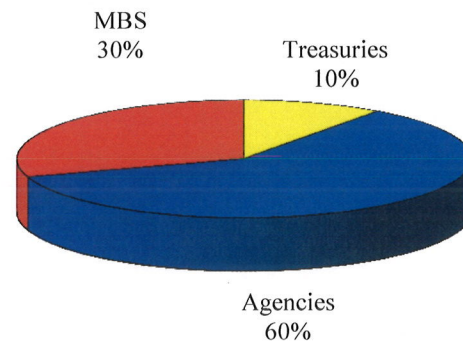
Portfolio Composition
December 2017

Security Type	Current 12/31/2017	Current Mix	Goal 6/30/2018	Goal Mix
Cash/ Liquidity	29	0%	0	0%
US Treasury	1,650	14%	1,226	10%
Agencies	7,546	62%	7,356	60%
Bullet Maturities	750	10%	1,471	20%
Callables	6,796	90%	5,885	80%
Floater	0	0%	0	0%
MBS	2,859	24%	3,678	30%
Floater	448	16%	1,471	40%
CMO	2,411	84%	2,207	60%
Pass Through		0%	0	0%
Municipals	0	0%	0	0%
Taxable		0%	0	100%
Tax Free		0%	0	0%
TOTAL	12,084	100%	12,260	100%

**Security by Type
(Actual)**

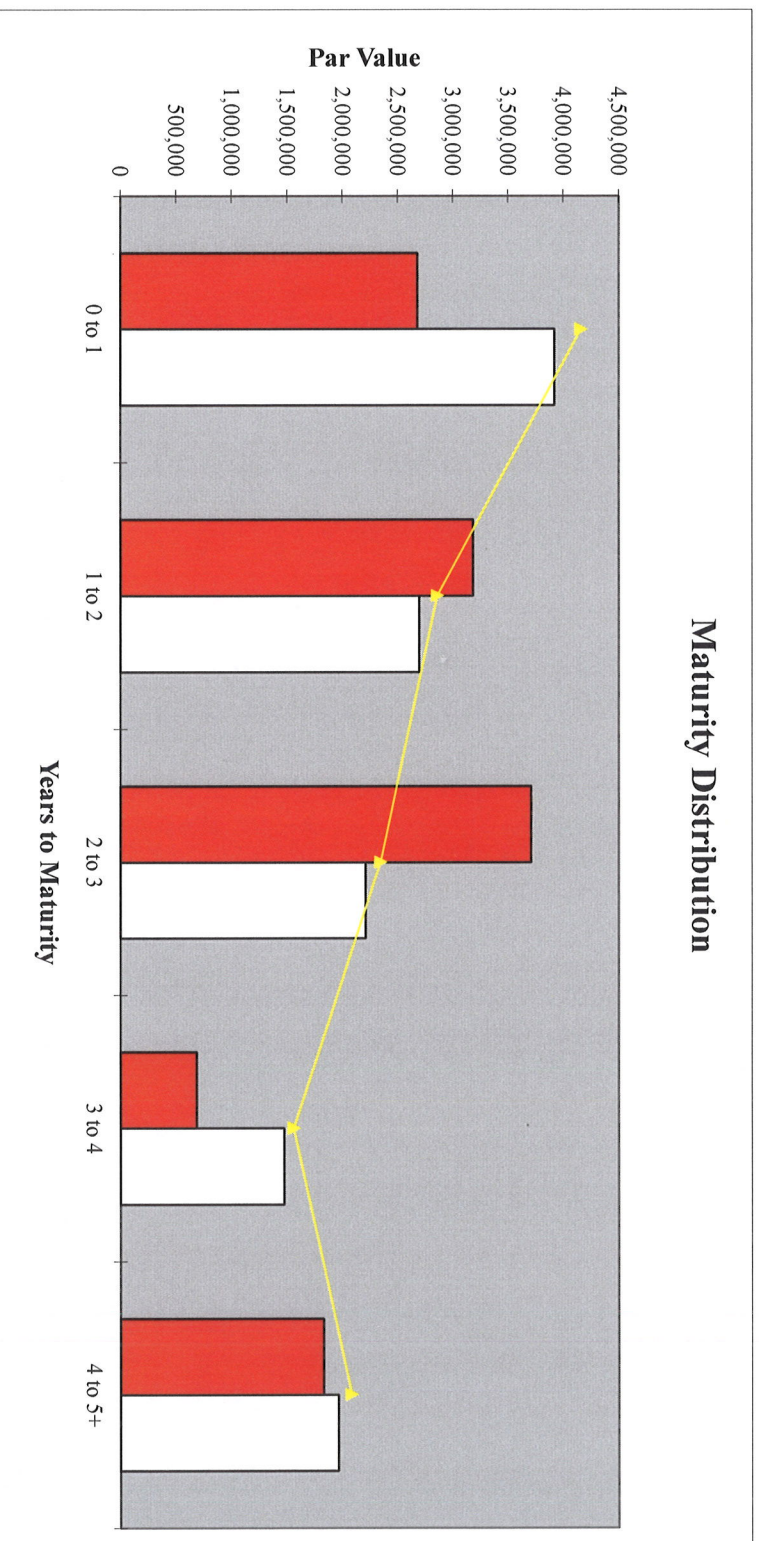


**Security by Type
(Goal)**



*Maturity Distribution
December 2017*

Years to Maturity	0 to 1	1 to 2	2 to 3	3 to 4	4 to 5+	TOTAL	WAL
Actual Par Value	2,678,760	3,184,532	3,708,078	688,250	1,824,964	12,084,584	2.23
Target Value June '18	3,923,200	2,697,200	2,206,800	1,471,200	1,961,600	12,260,000	2.16
Claims & IBNR at June '17	4,160,000	2,860,000	2,340,000	1,560,000	2,080,000	13,000,000	2.16





STATE OF MISSISSIPPI
GOVERNOR PHIL BRYANT

MISSISSIPPI TORT CLAIMS BOARD
STEPHEN C. EDDS, CHAIRMAN

MIKE CHANEY, Commissioner
Insurance Department
MARSHALL L. FISHER, Commissioner
Department of Public Safety
LYNN FITCH, Treasurer
Department of Treasury

JIM HOOD, Attorney General
Office of Attorney General
LAURA D. JACKSON, Executive Director
Department of Finance and Administration
GARY RIKARD, Executive Director
Department of Environmental Quality

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Steve Milner
DATE: January 11, 2018
RE: Loss Control Report

Since the last Board Meeting, loss control services for the Tort Claims Board include:

5	Ride a Longs
17	State Property Inspections
2	Defensive Driving Classes
7	Accident Investigations
1	Safety Meeting
1	Museum Opening
1	MHP Presentation



STATE OF MISSISSIPPI
GOVERNOR PHIL BRYANT

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Department of Finance and Administration
GARY RIKARD, Executive Director
Department of Environmental Quality

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Lea Ann McElroy
DATE: January 11, 2018
RE: Political Subdivisions – Certificates of Coverage

RECOMMENDATION: Staff recommends approval of 22 political subdivisions shown on attached list.

MISSISSIPPI TORT CLAIMS BOARD

Thursday, January 11, 2018

Political Subdivisions Recommended for Renewal of Certificate of Coverage

Clarke County Board of Supervisors
Coahoma County Soil and Water Conservation District
George County School District
Harrison County Board of Supervisors
Issaquena County Board of Supervisors
Issaquena County Soil and Water Conservation District
Jefferson County Hospital
LSR Volunteer Fire Department, Inc.
Lamar County School District
Lewisburg Volunteer Fire Department
Love Volunteer Fire Department
Mid-Mississippi Regional Library
Mississippi Gulf Coast Community College
Mississippi Housing Authority Risk Management, Inc.
Otter Bayou Drainage District
Pearl River Community College
Rankin County Board of Supervisors
Singing River Health Systems
South Sunflower County Hospital
Tupelo City Clerk
Valley View Volunteer Fire Department
Waynesboro City Clerk

Total 22



STATE OF MISSISSIPPI
GOVERNOR PHIL BRYANT

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Department of Environmental Quality

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Bruce Donaldson
DATE: January 11, 2018

Estate of Marvin Hughes vs. Mississippi Veterans Affairs Board



STATE OF MISSISSIPPI
GOVERNOR PHIL BRYANT

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MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Bruce Donaldson
DATE: January 11, 2018

Joseph Gill vs. Mississippi Department of Finance & Administration